

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

PARK PLACE ENTERTAINMENT CORPORATION

(Delayed Public Offering)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on December 9, 1998, and before the Nevada Gaming Commission ("Commission") on December 17, 1998, at Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The applications of Park Place Entertainment Corporation for approval of a continuous or delayed public offering by it or any affiliated company wholly-owned by it which is or would thereby become a publicly traded corporation ("Affiliate") and for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation pursuant to a public offering made by Park Place or its Affiliate(s), under the continuous or delayed public offering approval;

b. The applications of Parball Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc. pursuant to a public offering made by Park Place or its Affiliate(s) under the continuous or delayed public offering approval; and

c. The applications of Parball Corporation, LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc. for approval to guarantee securities issued by, and to hypothecate their assets to secure the payment of performance of any obligations evidenced by securities issued by Park Place or its Affiliate(s), under the continuous or delayed public offering approval.

2. THAT for a period of two years Park Place Entertainment Corporation and its Affiliate(s) are hereby granted approval, pursuant to NGC Regulation 16.115, to make public offerings, subject to the provisions of Paragraph 7 and to the following conditions:

a. That at all times during the two year period, Park Place and its Affiliate(s), shall timely file all reports required by Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended;

b. That upon filing documents with the United States Securities and Exchange Commission ("SEC") regarding the sale of any securities for which approval would otherwise be required, Park Place Entertainment Corporation and its Affiliate(s) shall contemporaneously provide written notice and copies of such documents to the Board's Corporate Securities Division ("Division"), and shall keep said Division continuously and promptly informed as to the progress of any public offering made hereunder and as to any other event that would have a material effect on Park Place, or its subsidiaries, which would be subject to reporting on SEC Form 8-K; and

c. That the approval herein granted may be rescinded without prior notice upon the issuance of any interlocutory stop order by the Chairman of the Board. Said

interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission

3. THE Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in Paragraph 2(c) above.

4. THAT for a period of two years, Park Place Entertainment Corporation is hereby granted approval, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, to place restrictions on the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

5. THAT for a period of two years, Parball Corporation is hereby granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions on the transfer of, and to enter into agreements not to encumber, the equity securities of LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc., pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

6. THAT for a period of two years, Parball Corporation, FHR Corporation, LVH Corporation and Flamingo Hilton-Laughlin, Inc. are each granted approval, pursuant to NGC Regulation 16.100(3), to guarantee securities issued by Park Place Entertainment Corporation or its Affiliates(s), pursuant to the public offering made under the approval granted by Paragraph 2 of this Order, and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Park Place Entertainment Corporation or its Affiliate(s), pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

7. THAT this Order shall not become effective, unless and until, the Chairman of the Board, or his designee, has been notified that the spin-off (the "Spin-Off") of all of the outstanding shares of common stock of Park Place Entertainment Corporation to the holders of

Hilton Hotels Corporation common stock has been completed and become effective. If the Spin-Off is not completed and effective by February 1, 1999, unless administratively extended by the Chairman of the Board, or his designee, this Order shall be rendered null and void.

ENTERED at Carson City, Nevada, this 17th day of December 1998.